

1
2
3
4
5
6
7
8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10

11 GLOBAL ACQUISITIONS NETWORK,) Case No. CV 12-08758 DDP (CWx)
12 a Wyoming corporation; SHAWN)
13 CORNEILLE, an individual,) **ORDER GRANTING PLAINTIFFS'**
14) **COUNSEL'S MOTION TO BE RELIEVED**
15 Plaintiffs,) **AS COUNSEL AND DENYING**
16) **PLAINTIFFS' APPLICATION FOR ENTRY**
17 v.) **OF DEFAULT JUDGMENT AGAINST**
18) **DEFENDANT ORIANA CAPITAL PARTNERS**
19 BANK OF AMERICA CORPORATION,) [Dkt. Nos. 99, 108]
20 a Delaware corporation;)
21 ORIANA CAPITAL PARTNERS, LLC,)
22 a Connecticut limited)
23 liability company; ZANCO, a)
24 company of unknown business)
25 form, HLB FINANCIAL, LLC, a)
26 company of unknown form; W/C)
27 INVESTMETN HOLDINGS INC., a)
28 Florida corporatin; DEXTER)
CHAPPELL, an individual;)
VALERIE CHAPPELL, an)
individual; JON LEARY, an)
individual; GLEN McINERNEY)
also known as LARRY BENNETT,)
an individual; CHRISTOPHER)
RAY ZANCO, an individual;)
BERNARD WOODSON, an)
individual,)
Defendants.)

27 Presently before the Court are attorney Irving Parchman's
28 Motion To Be Relieved As Plaintiff's Counsel (Docket No. 108) and

1 Plaintiffs' Application for Default Judgment Against Defendant
2 Oriana Capital Partners LLC ("OCP") (Docket No. 99). For the
3 following reasons, the Court GRANTS Parchman's Motion To Be
4 Relieved As Counsel and DENIES Plaintiffs' Application for Default
5 Judgment.

6 **I. Background**

7 Plaintiffs Global Acquisitions Network and Shawn Corneille
8 ("Plaintiffs") filed this action against multiple defendants,
9 alleging breach of contract and related causes of action. (FAC,
10 Docket No. 48.) The alleged facts are more fully laid out in the
11 Court's prior order granting Bank of America's motion to dismiss
12 the original complaint; the alleged facts did not change upon
13 filing of the First Amended Complaint ("FAC"). (Docket Nos. 38,
14 60.) Following the filing of the FAC in March 2013, Defendant Bank
15 of America filed a motion to dismiss the FAC, which the Court
16 granted on June 7, 2013. (Docket No. 60.) Plaintiffs then proceeded
17 to seek entry of default against the remaining defendants in a
18 piecemeal fashion. Default was entered by the clerk against
19 Defendant Jon Leary on August 6, 2013 and against OCP on September
20 3, 2013. (Docket Nos. 79, 87.) The default entered against Leary
21 was set aside on December 17, 2013. (Docket No. 116.) Plaintiffs
22 are now seeking a default judgment against OCP. (Docket No. 99.) In
23 a separate motion, Plaintiffs' counsel, Irving Parchman, seeks to
24 be relieved as counsel in this matter. (Docket No. 108.)

25 **II. Motion To Be Relieved As Counsel**

26 A. Legal Standard

27 Pursuant to Local Rule 83-2.3.2, "[a]n attorney may not
28 withdraw as counsel except by leave of court." When the attorney

1 represents an organization, the attorney "must give written notice
2 to the organization of the consequences of its inability to appear
3 pro se." Local Rule 83-2.3.4. In determining whether adequate
4 grounds exist for excusing counsel from further representation,
5 federal courts generally look to applicable state law. The
6 California Rules of Professional Conduct permit withdrawal when a
7 client breaches an agreement to pay fees or expenses or when
8 conduct by a client "renders it unreasonably difficult for the
9 [attorney] to carry out the employment effectively." CRPC 3-700(C).
10 Procedurally, notice must be given to the client of an attorney's
11 motion to be relieved as counsel, and the motion must include an
12 explanation as to why the parties could not mutually agree to
13 substitution. CRC 3.1362. The court may deny an attorney's request
14 to withdraw if the withdrawal would work an injustice. People v.
15 McCracken, 39 Cal. 2d 336 (1952).

16 B. Discussion

17 Mr. Parchman has complied with the procedural requirements for
18 attorney withdrawal. He states that he made multiple efforts to
19 contact Plaintiff Shawn Corneille directly to advise him that he
20 was no longer employed by Mr. Divens and that they needed to speak
21 about finding new counsel to represent Plaintiffs. (Parchman Decl.
22 ¶¶ 4, 5, 7.) Mr. Parchman further states sufficient reasons for his
23 request to withdraw. He states that he has not received payment
24 from his former employer, Mr. Divens, for much of the work he has
25 performed in this matter and that, as a result, he is no longer
26 associated with Mr. Divens. (Docket No. 108, p. 3.) Further, Mr.
27 Parchman has been unable to contact Mr. Corneille regarding
28 alternate arrangements for payment or regarding his further

1 representation of Plaintiffs. (Id. at 4.) As a result, the Court
2 agrees that Mr. Parchman can no longer carry on effective
3 representation of Plaintiffs in this matter. Therefore, the Court
4 GRANTS Mr. Parchman's motion to be relieved as counsel.¹

5 **III. Application for Default Judgment Against OCP**

6 "The district court's decision whether to enter a default
7 judgment is a discretionary one." Aldabe v. Aldabe, 616 F.2d 1089,
8 1092 (9th Cir. 1980). Lack of merit of the underlying claims is a
9 sufficient basis for a district court to deny entry of default
10 judgment. Id.; see also Eitel v. McCool, 782 F.2d 1470, 1472
11 (affirming district court's denial of application for default
12 judgment on the grounds that "the district court could have had
13 serious reservations about the merits of [Plaintiff's] substantive
14 claims").

15 In this case, the Court noted in a prior order in this action
16 that it "has serious doubts about the plausibility of the scenario
17 alleged by Plaintiffs" (Docket No. 38, p. 6), and those doubts have
18 not been alleviated through the course of the litigation. The
19 Court's reluctance to find Plaintiffs' claims plausible is further
20 supported by Mr. Parchman's desire to withdraw from representation
21 and distance himself from Mr. Divens, who has been disbarred by the
22 State of California, and Mr. Corneille, who Mr. Parchman alleges is
23 a personal friend and business partner of Mr. Divens. (Parchman
24

25 ¹The Court notes that in granting this motion, Plaintiffs are
26 now unrepresented by counsel in this matter. While Mr. Corneille
27 can represent himself in this matter going forward should he choose
28 to do so, Global Acquisitions Network, as an organizational
plaintiff, cannot pursue its claims without an attorney. See
Rowland v. California Men's Colony, Unit II Men's Advisory Counsel,
506 U.S. 194, 202 (1993).

1 Decl., Docket No. 106, ¶ 6.) Plaintiffs now seek a default judgment
2 against OCP for over \$31 million dollars and attorney's fees of
3 nearly \$400,000. (Docket No. 99, p. 4.) In light of the large
4 amount of money Plaintiffs seek and the Court's concerns about the
5 plausibility of the facts alleged, the Court DENIES Plaintiffs'
6 Application for Default Judgment Against OCP.

7 **IV. Conclusion**

8 For the foregoing reasons, the Court GRANTS Mr. Parchman's
9 Motion To Be Relieved As Counsel in this matter and DENIES
10 Plaintiffs' Application for Default Judgment Against OCP.

11
12 IT IS SO ORDERED.

13
14 Dated: December 20, 2013


DEAN D. PREGERSON
United States District Judge